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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC No. 02851-85

4 June 1985

MEMORANDUM FOR THE RECORD

FROM: George Kolt  
National Intelligence Officer for Europe

SUBJECT: Eastern Mediterranean IG Meeting on Greece, 3 June 1985

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1. The meeting was called and chaired by Richard Haass (State/EUR) to exchange views on the results of the Greek elections and possible next steps in US policy towards Greece.

[redacted] and I attended from CIA.

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2. At Haass' request I gave a brief analysis of what had happened and its implications:

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-- Papandreou's victory was due in large part to Mitsotakis's failure to convince Greek voters that ND was the party of the future and that the Greek economy was deteriorating under PASOK rule (that second failure being due in large part to the subsidization of the Greek rural population, which forms 70 percent of the electorate, by the European Community and to Papandreou's financial largess toward urban populations, meaning that the bulk of Greek voters had not yet felt the pinch of the economic situation.)

-- I then summarized and distributed the paragraphs pertinent to US-Greek relations from our recently completed SNIE (22 to 25 and 44 to 47), adding the caveat that Greece's financial need might drive Papandreou to take a more moderate posture toward the West in the short-term. The State Department desk officer Bill Rope commented that my assessment was too pessimistic.

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3. Haass stated that a less than effusive letter of congratulations had gone from the President to Papandreou and that press guidance had been prepared with the intent of projecting a neutral posture on the election results. He distributed a work program and stated its purpose was to lay the foundation for a policy in which the US could seize the initiative and not always be reacting to Papandreou's moves. He indicated that it may well be that the US might decide to take a tougher policy but that any such policy decisions would be taken at a higher level than this group. The purpose of the work program (copy attached) was to develop a framework for dealing with Greece, ensure that all were aware of timeframes in which certain actions would have to be taken (e.g. to modernize certain facilities and at what cost or to begin leaving US facilities in Greece if Papandreou's policies force us to take that course of action, etc.), and to make sure that costs would be imposed on Greece for any Papandreou initiatives that were detrimental to the Alliance or to the US. In a short discussion of the work program it was agreed that VOA negotiations should be treated under 3E and that consideration should be given to the diplomatic initiatives that might be undertaken by Turkey and that might impel certain responses both from Greece and from the US. The Agency contributions to the work program are due at State by OOB 12 June and will be discussed at a working group meeting on 14 June.



George Kolt

Attachment  
a/s

## Distribution:

1 - C/NIC  
1 - VC/NIC  
1 - SRP  
1 - DDI/EURA/WE/McLaughlin  
1 - DDI/EURA/WE/IA   
1 - A/NIO/EUR  
1 - NIO/EUR chrono  
1 - NIO/EUR 1.9  
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IG STUDY WORK PROGRAM

I. Results and Interpretation of the 2 June election  
(Drafter: CIA)

II. US Interests in Greece (Diplomatic-Political Aspects:  
Drafter State; Military Aspects: Drafter JCS)

III. Issues for Decision and Examination of US Policy Options  
(Note: Each issue should be examined on the basis of the  
existing situation; current policy; US options; and a  
recommendation)

- (A) Arms Transfers/Sales to include GSOMIA negotiations  
(Drafter: State/PM)
- (B) Greece and NATO (including Aegean Issues) (Drafter:  
State/EUR)
- (C) US Bases in Greece and DECA Implementation, e.g. labor  
negotiations, SOFA, Defense Industrial Cooperation,  
McIver, etc. (Drafter DOD/ISP)
- (D)
- (E) Economic Issues, to include CIVAIR negotiations and  
technology transfer (Drafters: Commerce/State)-

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We are aiming for interagency cleared positions and  
recommendations for US policy by the end of June.

Each agency tasked should supply an initial draft of its topic  
to State as the coordinator (EUR/SE Peter Collins Room 5509) by  
OOB on June 12. State will collate the draft sections,  
~~circulate them~~ to the concerned agencies for an initial WG  
meeting on 14 June. The final paper will also include a  
summary/recommendations section for principals.

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